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# Articles in Today's Clips

**Wednesday, October 31, 2007**

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Subject	Page
Abuse-neglect	2-3
Budget includes (links below)*	4-16
Triangle project	
DCH-Medicaid	
JET	
Prisoner re-entry	
Foster care*	17-18
Food	19-20

## At trial, there's no mention of death PLYMOUTH

Day care director could get jail, fine

October 31, 2007

BY CECIL ANGEL

FREE PRESS STAFF WRITER

The director of the Childtime Learning Center appeared to accept the explanation from 2-year-old Allison Newman's foster mother that the scratches and bruises on the child's body were from a fight she had with another toddler, a former employee of the child care center testified Tuesday.

Jacqueline Hadwin of Westland, the director of Childtime, didn't report the injuries to the Michigan Child Protective Services agency in July 2006.

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On Sept. 22, 2006, Allison died of injuries police say were caused by her foster mother, Carol Ann Poole, in their Canton home.

Poole is charged with felony murder, involuntary manslaughter and first-degree child abuse.

Hadwin is on trial in 35th District Court in Plymouth on a misdemeanor charge of failing to report suspected child abuse. If convicted, she could be sentenced to up to 93 days in jail and a \$500 fine.

On Tuesday, the second day of the trial, it was a delicate dance for Wayne County Assistant Prosecutor Lora Weingarden, defense attorneys Todd Flood and Gerald Evelyn, and witnesses to obey Judge Ronald Lowe's order not to say anything before the jury about Allison's death on the chance that it could prejudice the case.

At one point, Flood asked for a mistrial during testimony from Melissa Gunn, a former employee, when she questioned as to why she was upset Hadwin did not take her suspicions of child abuse seriously.

"Why were you upset?" Weingarden asked.

Gunn said, "I felt events could have been stopped had it been reported."

In his cross-examination of two former employees, Evelyn asked why the women didn't do more if they thought Allison was being abused and why nothing was documented at the time.

Why didn't they tell the assistant director or the girl's father, Alan Poole, of the suspected child abuse, he asked.

"I thought I did what I could do," said former teacher Cheryl Majeske.

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## Child Advocacy Center to honor 'Stars' at banquet

Hometown Headlines

**GRAND BLANC TOWNSHIP**

**THE FLINT JOURNAL FIRST EDITION**

Wednesday, October 31, 2007

**Journal Staff Writer**

GRAND BLANC TWP. - Those who have helped guide children through traumatic events will be recognized for their efforts Friday.

The Child Advocacy Center of Genesee County will hand out awards to police officers, prosecutors and human services workers who have handled cases involving children during its third annual Celebration of Our Stars Awards Dinner.

Individuals who have gone out of their way to make children comfortable during investigations into physical or sexual abuse were nominated for the awards by teams handling the cases, said Jodie Elazizi, assistant director of the center.

The event will begin at 6 p.m. at Genesys Conference & Banquet Center, and will feature a live and silent auction with items like Great Wolf Lodge family vacation packages, salon packages and "Live with Regis and Kelly" tickets up for grabs.

Dinner will be served at about 7 p.m.

Tickets are \$100 and can be purchased at the door or by calling (810) 238-3333.

All proceeds will go to help fund general operations at the center, Elazizi said.

The center opened in late 2004, and helps children through the legal process after traumatic events such as physical or sexual abuse. The center provides families with medical and mental health referrals and follows cases to make sure children are taken care of, Elazizi said.

- Holly Kluft

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## THE ANN ARBOR NEWS

### Budget deal closes unit of Maxey school

Lawmakers agree on final spending bills; state to privatize more adoption, foster care, juvenile justice services

Wednesday, October 31, 2007

**By Ann Arbor News Staff and The Associated Press**

LANSING - A medium security section of the W.J. Maxey Boys Training School near Whitmore Lake will be closed and about 130 jobs moved elsewhere as part of a state budget deal worked out overnight.

The agreement between the Legislature and Gov. Jennifer Granholm to fund Michigan's government ends a nine-month fight over tax increases and spending cuts that briefly caused a government shutdown along the way.

The Republican-led Senate and Democratic-controlled House finished passing the last remaining budget bill at 4:20 a.m. after waiting hours for it to be printed.

A compromise was reached on the last sticking point: Turning over more of the state's adoption, foster care and juvenile justice services to private hands.

Under the compromise, a medium-security section of the Maxey facility on M-36 would close and 60 youthful offenders would be moved to private facilities. The more than 130 affected workers would be allowed to transfer elsewhere in the Department of Human Services instead of losing their jobs.

"We are protecting those people who have been public employees for a long time," said House Appropriations Chairman George Cushingberry Jr., D-Detroit. He said private agencies can help lighten the backlog of cases handled by an overburdened and understaffed DHS.

Maxey holds youths who have committed the most serious felonies, those with chronic mental health and social development issues, sex offenders and those who are too aggressive for other facilities, according to DHS spokeswoman Karen Stock. It is the only state-run, maximum-security facility for youth in Michigan that treats juvenile offenders with mental illness.

The state spent \$42 million just five years ago to build a facility to house the 180 youths then at Maxey.

Another DHS spokeswoman, Maureen Sorbet, said earlier this year that the cost for a youth at Maxey is \$420 per day, versus \$240 per day at a private facility. Private facilities are not required to provide education programs. Those youth get educational services through the local school districts or intermediate school districts.

Legislators and the Democratic governor had until midnight to trim \$433 million from proposed or current spending and avoid another partial government shutdown such as the one that occurred in the early hours of Oct. 1. All 17 budget bills had been sent to Granholm as of early this morning.

The final agreement came a month after Granholm and lawmakers passed \$1.3 billion in tax increases and gave themselves an extra 30 days to resolve the spending plan.

K-12 public schools would get an average increase of 1 percent in per-pupil aid, with poorer districts receiving more for each student than wealthier districts.

Other bills would give 1 percent more to universities and community colleges and fund departments overseeing state parks, prisons, courts, agriculture, road construction and the environment. Young adults and others wouldn't be kicked off Medicaid, the government health care program for the poor.

The budget fight isn't completely over because legislators avoided disagreements over whether to increase fees by delaying the decisions until later.

The budget assumes environmental permit fees paid by businesses and hunting and fishing license fees will be raised, but gives lawmakers until Jan. 15 to approve the increases. Votes for higher fees could fail, though, as some legislators are skittish about raising fees after approving general tax increases a month ago.

Officials in the Department of National Resources and Department of Environmental Quality say they will have to lay off workers and cut services if the fee increases aren't approved. That could lead to closing state parks and turning over environmental permitting to the federal government.

News Staff Reporter Susan Oppat contributed to this report.

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## Privatization issue key to budget

Wednesday, October 31, 2007

By Ted Roelofs

The Grand Rapids Press

A compromise on a West Michigan lawmaker's drive to privatize some aspects of social services cleared the way for a budget deal this morning that avoided a second shutdown of state government.

Gov. Jennifer Granholm and state Sen. Bill Hardiman, R-Kentwood, wrangled for days over Hardiman's push to privatize more of the state's foster care, adoption and juvenile justice services.

Agreement on the issue -- including the closing of a medium-security section of the W.J. Maxey Boys Training School near Ann Arbor -- ended the long stalemate over balancing the state's budget and its projected \$1.75 billion deficit.

Hardiman said Tuesday he was optimistic the two sides would resolve the disagreement without another shutdown like that which partially closed government in the early hours of Oct. 1. Hardiman, who heads the Department of Human Services Appropriations Committee, contends nonprofit agencies can do the work of state agencies for less money and with equal or better outcomes.

### Looking to save money

He cited institutions such as Maxey, which Hardiman said costs \$550 a day per youth. Private facilities can do the job for less than half the cost, he said.

"It makes good sense," Hardiman said.

Under the DHS budget that passed early today, 60 young offenders from Maxey would be moved to a private facility. Workers there would not lose their jobs but would transfer to other DHS jobs. Granholm has opposed turning over DHS functions to private providers.

The move also was opposed by labor unions representing state workers.

Hardiman said he and Granholm met Monday but failed to come to an agreement.

"It was cordial," he said. "She held pretty firm; I held pretty firm in my position."

Hardiman estimated the plan for privatization he unveiled earlier this year would save \$20 million in gross revenues and up to \$3 million in general fund revenues, numbers dwarfed by the state's projected deficit. The compromise agreement was far less ambitious than that.

In Kent County, foster care and adoption services are handled by nonprofit agencies, so it's unclear how much impact his plan would have here.

Still, Hardiman said the state has an obligation to save where it can.

"We have to look at ways we can save money," he said.

Sharon Parks, vice president for policy for the Michigan League for Human Services, is skeptical of the push for privatization.

"Most of the research we have seen ... has shown that privatization does not save money," she said.

#### **Accountability question**

Parks added she is concerned that savings at a facility such as Maxey might come at the expense of accountability or competence.

"I am sure you can house those kids cheaper. But are you also providing the training and security they get now?

"We would argue that the state needs to maintain a strong role with oversight and accountability."

A report earlier this year by state budget director Gary Olson noted an audit of private foster services found 30 percent of agency staff "had not been trained as required."

According to DHS, nonprofit agencies now provide 39 percent of the foster care services in Michigan.

"Reports such as these have led some to question whether there is sufficient accountability for private agencies and whether it would be prudent to place a greater portion of the foster care work with them," Olson wrote.

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## Lawmakers reach budget deal

October 31, 2007

BY CHRIS CHRISTOFF

FREE PRESS LANSING BUREAU CHIEF

LANSING -- A new state budget was approved by the Legislature early Wednesday morning, ending nine months of wrangling between lawmakers and Gov. Jennifer Granholm that produced a large tax increase, a brief government shutdown, raw nerves and some steps to rein in mushrooming costs to taxpayers.

The last piece of the \$9.7 billion general fund spending plan was put in place at 4:20 a.m. when the House approved a controversial Department of Human Services budget that will close 80 of the 150 beds at the W. J. Maxey Boys Training School in Whitmore Lake, as part of an overall spending plan that privatizes more of the state's foster care and juvenile offender programs.

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With a midnight deadline looming today, the House and Senate spent 18 hours putting the final touches on 17 bills that comprise the state budget. The budget plan is the second half of a deal struck Oct. 1 that raised taxes by \$1.3 billion and gave lawmakers an extra 30 days to resolve the actual budget.

The agreement also included some spending reforms, such as prodding school districts to seek cheaper employee health insurance.

Despite more than \$430 million in savings and cuts, the 2007-08 budget is \$760 million larger than the previous year's because of employee pay raises, inflationary costs and other spending increases.

The closure of three prisons and a smaller increase in funding for public schools were the biggest reductions. School districts will see their state aid increase between \$48 per pupil and \$96 per pupil.

State spending on Medicaid will rise by \$154 million, with no cuts in the number of recipients that now tops 1.5 million across Michigan. Including federal aid, Medicaid spending will soar by \$373 million.

Two State Police crime labs will close, but no troopers will be laid off. And a decision to raise hunting and fishing license fees was put off until January.

A dispute over where to build a new bridge across the Detroit river threatened to block an agreement on a transportation budget. But a compromise was reached to allow the state to continue paying for a study but not to proceed with any actual bridge plans.

The Department of Human Services budget reflected much of the overall budget, cutting some areas but increasing spending overall. Although the closure of the Maxey boys center will eliminate 130 jobs there, another 274 jobs will be added for child welfare services.

Sen. Bill Hardiman, R-Kentwood, a leading advocate for privatizing human services, said the budget is a significant step toward holding down future costs while it improves protection of children who need safe homes or rehabilitation. The human services budget bill narrowly passed the House, opposed by state employee unions and many majority Democrats.



Hardiman said employees who lose jobs at the Maxey boys center will be allowed to transfer to other human services positions.

The budget also provides a 4% increase in state payments to private adoption agencies and facilities that house abused or law-breaking juveniles.

House and Senate leaders expressed relief that the budget ordeal was over.

Senate Majority Leader Mike Bishop said the budget is "lean and competitive," and creates a foundation to further downsize government.

"The state is facing some rather dramatic economic issues, and it's going to take us some time to recover," Bishop said. "This turnaround budget is going to be not just this year but years to come."

He added, "We can't simply continue to raise revenue, we've got to continue to cut back government."

Bishop said the Legislature now should address changes to the newly-passed sales tax on services, which has stirred widespread outcry from business groups. Bishop said changes should be made before Dec. 1, when the tax takes effect.

Asked who were winners and losers in the budget, House Speaker Andy Dillon, D-Redford Township, replied, "The state's a winner because there's a balanced budget and we can move forward."

At least one state department faces layoffs, however. On Tuesday, the director of the Department of Natural Resources said she would begin sending layoff notices to 14 conservation officers Friday to avoid a deficit.

DNR Director Rebecca Humphries told the Free Press that lawmakers' decision to delay an increase in hunting and fishing license fees until January makes it doubtful her department would receive the \$8 million in new revenue to avoid cutbacks.

She said the layoffs would take effect Dec. 2, allowing the officers who enforce fish and game laws to monitor the firearms deer season in November.

The Legislature sent to Gov. Jennifer Granholm a \$238-million DNR budget Tuesday that includes \$8 million in revenue presumed from higher license fees.

The Legislature has until Jan. 15 to enact those higher fees, which Humphries said probably won't happen.

Humphries said the Legislature has had since March to raise the fees.

"I don't want to be in a situation like I was last year where I take a cut in the fourth quarter of the fiscal year," she said. "To sit and not make a reduction in a timely manner is just going to make this far worse."

One recent hurdle was opposition from the National Rifle Association, said Rep. Mike Lahti, D-Hancock, a House-Senate conference committee member.

DNR spokeswoman Mary Dettloff said that, besides laying off conservation officers for 2008, the agency would end fish surveys that help determine fish populations and also stop using Great Lakes research vessels.

The DNR plans to close 37 state parks and recreation areas, but not until the fiscal year that begins Oct. 1, 2008. The parks money issues are unrelated to the controversy over fishing and hunting license fee increases.

Humphries said the Legislature has prohibited her from closing two of the state's six fish hatcheries, so she must cut \$900,000 elsewhere in her department.

The layoffs would furlough the entire most recent graduating class of conservation officers. Humphries said six counties would have no conservation officers because of layoffs and retirements.

Lawmakers reach budget deal

She said there are 150 officers in the field and 20 vacancies.

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## **MIRS Capitol Capsule, Monday, October 29, 2007**

### **Could DHS Budget Be Sent Without Gov's Support?**

Senate Republicans and some Democratic House leaders said today they are inclined to send Gov. Jennifer GRANHOLM a Department of Human Services (DHS) budget that moves more foster kids and troubled youths to non-profit agency care as opposed to state-sponsored homes and facilities despite her wishes to the contrary.

Senate Majority Leader Mike BISHOP's (R-Rochester) office confirmed today that it would support Senate DHS Appropriations Committee Chair Bill HARDIMAN's (R-Kentwood) desire to move on a compromise struck with his colleagues in the House even though Granholm has yet to sign off. Granholm still has an ally in House Speaker Andy DILLON (D-Redford Twp.), who is currently the only one standing in the way of a DHS budget she doesn't like being sent her way. House Appropriations Committee Chair George CUSHINGBERRY (D-Detroit) said he and his DHS subcommittee chair, Rep. Dudley SPADE (D-Tipton), are fine with a tentative compromise they've reached with the Senate.

Dillon said after session today he's reluctant to jump into any program with both feet before truly understanding its impact. That said, Dillon was asked if he would send Granholm a budget that she couldn't support. "We've got to see what happens," he said. "It's possible ... anything is possible."

Dillon added that it's also possible to pass only a continuation budget for DHS, but the desire of lawmakers and the administration is to strike an agreement now and move on. The DHS budget, SB 0232, is the only budget standing in the way of a final agreement between lawmakers and the administration on the Fiscal Year (FY) 2008 budget. The House and Senate each acted on several department bills today and are planning on wrapping up even more tomorrow, a day before the 31-day emergency budget for FY 2008 expires.

Whether common ground can be struck remains an open question. Hardiman insists the state can save significant amounts of money in the long term by moving all of the state's troubled youths from state institutions like the Maxey School For Boys and all of the state's foster care children to non-profit institutions like those run by Catholic Human Services.

Hardiman claims it costs \$550 per student, per day to house a boy at Maxey, compared to \$225 per day at a non-profit institution. The funding bill requires any private institution have national accreditation and sign a performance based contract. As the Governor highlights the needs for reforming state government, Hardiman says there's no reason not to travel down this road. "There's no debate on that. It's right there," he said. "We need to move forward in this area. The fact is that to ignore this is absolutely wrong."

Under Hardiman's original plan, which was to privatize all juvenile justice and foster care services, the state saved an estimated \$20 million by his calculations, but at the expense of 568 DHS jobs (See "568 DHS Workers Sliced Under Senate Plan," 3/15/07). Hardiman is still running the numbers on how much the House/Senate compromise would save.

But administration officials deny such allegations, pointing out that the state is legally obligated to look after these troubled youths, and if the private sector isn't able to provide the services these children need, DHS is the automatic backstop. Also, they point to privatization experiences in other states where the results were not good and the state was put back in the position of taking care of the children again.

Asked by MIRS if he believed the Governor's reluctance to support increased "privatization" of child welfare services has more to do with preserving union jobs within the state bureaucracy than any general concern for child safety, Hardiman responded, "I'd like to talk to the Governor first, personally, before making a statement on that."

The Legislature has the power to send to the Governor a departmental budget in any form it chooses, but the Governor hopes lawmakers stay at the bargaining table to work out any remaining issues with the budget, said Budget Office Spokesman Leslee FRITZ. Asked if the Governor would veto any budget that expands the "privatization" of foster care or juvenile justice program, Fritz declined to speculate.

### **Measure Would Halt Triangle Project**

Two state lawmakers are moving to get the Legislature to step in and put a halt to the so-called Triangle Project. This morning Rep. Rick JONES (R-Grand Ledge) was looking for co-sponsors for his bill, which would stop the \$45 million project. Sen. Cameron BROWN (R-Fawn River Twp.) also told MIRS he was doing the same thing with a Senate version.

The legislation could have legs in the Senate, and has the potential for becoming a rallying cry for Republicans in the public relations department. Under the 25-year deal, the Michigan State Police (MSP) would lease the building from developers Joel FERGUSON and Gary GRANGER with the option to buy the building for \$1 at the end of the contract.

Construction on the 148,000-square-foot building at the corner of Grand Avenue and Kalamazoo Street is expected to start soon. MSP would move into the new facility sometime in 2009. Ferguson was in the middle of another idea for a new MSP headquarters during former Gov. John ENGLER's administration. That plan got rhetorically and administratively tossed around, with opponents crying "foul" repeatedly. It finally died when a lawsuit kept the project on hold until Granholm took office.

During the Granholm administration the project had been a "go" and then a "no-go" more than once before the administrative board finally signed off on it. MIRS has covered the issue repeatedly for years, however, it only recently became a news story in heavily populated Southeast Michigan. The project apparently came to light in the metro-Detroit area after the Granholm administration gave it the stamp of approval (See "Triangle Project A Go," 08/07/07).

Gov. Jennifer GRANHOLM has been getting flak for her administration's approval of the project during this time of budget-balancing stress. Jones and Brown clearly believe there is sufficient support for their side of the issue to warrant moving ahead with the legislation.

Jones said he planned to turn in the House bill later today so it could be assigned a bill number. As of 10:40 a.m. he had about 35 cosponsors, all Republicans. Likewise, Brown was gaining interest with his bill. "So far I can't get any Democrats to sign," Jones said. "A lot of them tell me they wish they could, but they're afraid it would make the Governor mad at them. They say they can't sign unless they get permission."

Basically, the Jones-Brown legislation would stop the project until the state's rainy day fund achieves a \$1 billion balance for two consecutive years — in other words it would effectively kill the project for the foreseeable future.

### **\$1.2B Community Health Budget Readied**

The Department of Community Health (DCH) budget grew by a healthy 7.6 percent (\$852.1 million gross/\$185.2 million General Fund) under a long-awaited conference report that came out this afternoon and passed the House this evening on an 81-28 vote. The total budget allocated under the conference report to HB 4344 is \$1.2048 billion. The bulk of the funding increase came from an additional \$666 million in federal funding — an increase of 11 percent.

Not surprisingly, it was the state's Medicaid program that ate up the largest single chunk of funding increase — rising by \$373.4 million gross (\$154.3 million General Fund). On the Medicaid program, the conference committee increased capitation payment rates for Health Plan Services by 4.2 percent and Medicaid Mental Health and Substance Abuse Services by 2.5 percent (\$130.1 million gross, \$52 million

During the conference committee proceedings, the Michigan Health and Hospital Association was praised by Conference Committee Chair Rep. Gary McDOWELL (D-Rudyard) for stepping up and offering more Quality Assurance Assessment Program revenues that help conferees avoid eligibility reductions and other changes.

Highlights of the Community Health budget include some of the following:

- One million was added to the Mental Health Outpatient Teams budget to provide for two additional mental health outpatient teams for the Department of Corrections based on caseload growth of 961 from October 2005 through December 2006.
- Quality Assurance Assessment Program Changes include an additional \$20.9 million gross authorization to increase Medicaid hospital QAAP payments to the upper payment limit. The increase is funded with \$8.8 million of hospital QAAP revenue along with Medicaid matching funds. The move provides an additional \$21.4 million General Fund for Health Plans and Community Mental Health Service Providers to offset in fee revenues that has been lowered through federal legislation from 6 percent to 5.5 percent effective in January.
- Some \$600,000 was added to the multicultural line to be split equally among four organizations.
- The Healthy Michigan Program saw four programs cut by \$900,000. Those programs included: pregnancy prevention and family planning, early hearing detection and screening and informed consent materials reimbursement.

- The Medicaid Home and Community Based Services waiver line was increased by \$5 million gross (\$2.1 million General Fund) to support expansion of the MIChoice program.
- The budget anticipates gross savings of \$33.4 million due to new federal citizenship verification requirements for Medicaid eligibility. Of that, \$19.4 million would be federal fund savings and \$14 million would be general fund savings.
- The budget also anticipates \$1.7 million in savings (\$733,200 General Fund) due to establishment of a program to enroll all Michigan children in foster care in a Medicaid HMO on or before July 1, 2008
- New boilerplate was added that allocates up to \$150,000 for a study on administrative efficiencies, shared services and consolidations of local health departments, community mental health service providers, coordinating agencies on substance abuse and area agencies on aging.
- New boilerplate requires the DCH to evaluate the privatization of food and custodial services at state hospitals and centers and submit a copy of that evaluation by May of next year to the Legislature.

### **JET Program Expanded Statewide In DLEG Budget**

A pilot program designed to train the poor for employable jobs will receive the \$13.4 million Gov. Jennifer GRANHOLM wanted to expand the effort statewide under the Department of Labor and Economic Growth (DLEG) budget that moved out of a joint House-Senate conference committee this morning and the full Senate, 37-1, this afternoon. It was passed this evening by the House on an 82 -27 vote.

SB 0234 expands the administration's Job, Education and Training (JET) program, the administration's answer to a federal government mandate to moving more low-income families off public assistance. The program had received the support of the House and Senate during this year's budget debate.

The governor tied restrictions to some of the money until officials were able to document that JET was saving the state money in at least 50 percent of Michigan. Granholm also wanted \$40 million to go along with some federal money to start a "No Worker Left Behind" retraining program for displaced manufacturing workers, but a lack of General Fund money means the proposal under the DLEG budget for Fiscal Year (FY) 2008 will only be \$20.6 million. The program will still give two years free tuition to those who lost their manufacturing jobs through downsizing.

The Governor also wanted \$15 million to address the state's nursing teacher shortage, but only managed \$1.5 million from the Legislature for this "Michigan Nursing Corps" plan. Sen. Mark JANSEN (R-Grand Rapids), the chair of the Senate DLEG Appropriations Subcommittee, made sure to note on the Senate floor today, that the budget doesn't include the liquor license fee increases the Governor had proposed to help pay for fire grants given to local municipalities that provide fire protection to state buildings. Rather, the \$3.7 million for these "fire protection grants" will come from the General Fund.

The DLEG budget also sets aside \$400,000 for the "land bank" program, which demolishes or fixes up tax-reverted properties. The Housing and Commercial Development the House wanted funded at \$2.228 million will be funded at \$2.163 million under the conference report. The program is designed to help revitalize downtowns and provide low-income housing. A \$140,000 pilot program through non-profit Focus: HOPE also made the final cut.

In other news from the DLEG budget, the Democrats struck a provision from last year's DLEG budget that banned DLEG from writing rules that specifically targeted professional employment organizations (PEOs), a popular target of the Granholm administration. The Republicans were able to write provisions in the SB 0234 that band DLEG from using any money to ban the practice of credit scoring on insurance premiums. Republicans also succeeded in banning the administration from spending any money on the development of strict, state-specific ergonomic rules, something the business organizations are deathly afraid the Granholm's administration secretly want. Overall, the \$1.3 billion DLEG budget for FY 2008 is slightly higher than last year's \$1.294 billion spending plan for FY 2007. In the Senate, Sen. Alan SANBORN (R-Richmond) cast the lone no vote.

### **Re-entry Program Key To Prisons' Budget**

A spending plan for state prisons that includes closing four facilities and providing for the release of 2,000 to 2,500 inmates was kicked out of a joint House-Senate conference committee this afternoon with bipartisan support. Hours later, the House passed the budget on a 64-44 vote. The Department of Corrections (DOC) budget for Fiscal Year (FY) 2008 sets aside \$20.6 million to roll out statewide the Michigan Prisoner Re-entry Initiative (MPRI), a now-pilot plan hatched by Gov. Jennifer GRANHOLM designed to move low-risk prisoners from behind bars to a community-based reform programs geared toward reducing recidivism.

As reported last week, (See "Prisons To Close, Jail Reimbursement Continues," 10/25/07) the plan also sets aside \$4 million for new GPS tracking devices to track 500 prisoners. The \$1.996 billion DOC budget thins out 144 full-time positions despite spending \$124 million more than the FY 2007 budget. A good portion of the 6.4 percent increase comes from \$84 million more in higher employee wages, insurance costs, retirement costs and general increases in the cost of food and fuel. Many of the positions are coming at the expense of an administrative reorganization plan designed to save \$5.9 million.

Sen. Alan CROPSEY (R-DeWitt), the Senate DOC Appropriations Subcommittee chair, pointed to a provision in the budget that looks into opening up food service and transportation services to private bidders. The DOC and the Department of Management and Budget (DMB) would be given an opportunity to bid. Cropsey said he expected savings of at least 5 percent from a bidding process. In the meantime, the department is being urged to respond more quickly to a series of Auditor General recommendations regarding potential savings the department could make.

The budget bill, HB 4348, also includes \$400,000 for an independent report on the prevalence of mental illness and substance abuse among prisoners. The report is expected to include recommendations. Another \$100,000 was inserted to provide the Michigan State Police with training on how to respond to people with mental illnesses.

The bill also sought to get rid of a practice of sticking inmates' friends and families with 50 percent of telephone calls made to them. The Corrections budget bans smoking in prisons, but does allow inmates to use the Internet for education and job training-type purposes only. Also, outgoing prisoners will be tested for Hepatitis C and HIV as part of the agreed-to spending plan. HB 4348 limits the amount of money that can be spent on correctional officers' dry cleaning contracts.

The four facilities scheduled to be closed include Southern Michigan in Jackson (Nov. 15) an entire cellblock in Jackson (already on July 2007), Riverside prison in Ionia (Nov. 2) and Camp Manistique (Oct. 20). It delays the opening of the "drop-in" unit in Macomb County and delays the opening of 50 beds at Camp Branch in Lakeland. In total, the savings is being estimated at \$57.9 million. An 8th bunk is added to specific units in eight facilities and another 100 beds are being sprinkled throughout the prison system. The added costs are put at \$9.98 million.

The budget requires the DOC to implement a process by which prisoners can obtain the documents necessary to obtain a state identification card before being released from prison. It also opened the door for a values-based pilot program that Cropsey had hoped to get off the ground. HB 4348 also requires the DOC to make every effort to keep a garden or horticulture operation on site. It also calls for a feasibility study on future uses of mothballed prisons in the Upper Peninsula.





Wednesday, October 31, 2007

**Should state contract out foster care services?**

# **Rushing to expand privatization could jeopardize vulnerable kids**

**Sharon Claytor Peters**

No one denies that changes must be made to Michigan's child welfare system and soon. Too many children in foster care slip through the cracks of a system too large and too poorly funded to adequately monitor and protect its wards. At their worst, we've seen the system's flaws result in the tragic deaths of children under state supervision in both public and private agencies.

While Michigan's Children is not opposed to building on the state's rich history of strong partnerships between the public and private sectors, we are gravely concerned that a rush toward expanding privatization could put more vulnerable children in jeopardy.

There isn't sufficient evidence that further privatization or contracting out of services to private agencies will benefit children, and given the risk, more time is needed to evaluate this and other potential reforms. It must be understood that no reform can be approached as a way to cut or control costs. Caring for children cannot be done on the cheap.

Michigan for years has short-changed its child welfare system despite growing caseloads, leading to overworked and underpaid staff who, according to the state, are managing anywhere from 25 to 40 children at once. The numbers aren't much better in private agencies, where caseloads often are higher and workers often are paid even less.

Nationally, experts disagree about the benefits of child welfare privatization. One comprehensive study by Children's Rights, the organization suing Michigan for flaws in its child welfare system, concluded that:

- Public agencies should not expect cost savings from privatization.
- Greater efficiency will not be achieved simply because a private agency assumes responsibility.
- A "phased-in" approach to privatization, including broad-based community planning and pilot projects, is most successful.

As most parents know, there is no easy answer when it comes to caring for children. The same holds true when that "parent" is the state. To adequately reform our system, all options must be on the table, including privatization, funding for prevention services, and access to mental health and health care services for children in out-of-home care.

We must include all of the key players in the child welfare system in this decision, including public and private agencies, judges, parents, unions, elected officials and mental health, substance abuse and prevention services providers. They must ask:

- Can we prove that children would be better served through increased privatization or do we need more data?
- Does that state have needed resources to monitor private agencies?
- Will private agency staff have adequate training and appropriately sized caseloads?
- Can we increase access to needed prevention, mental health and family services?

If privatization is good public policy, then let's slow down and give it serious review along with other options. If immediate action must be taken, it should be through the use of pilot projects with sufficient funding to evaluate the outcomes for children.

Whatever we do we must be deliberate and have the best interest of children at heart.

*Sharon Claytor Peters is president and chief executive of Michigan's Children, a Lansing-based nonprofit group that advocates for children and their families.*



Wednesday, October 31, 2007

**Should state contract out foster care services?**

## **Relying on private agencies has track record of saving money**

**Michael D. LaFaive**

State budget negotiations have been sticking over a plan that would introduce competitive contracting with private agencies into foster care and juvenile justice services currently performed by state employees. Opponents have charged the bill could raise the cost of these services, but supporters are correct to anticipate lower costs and better services, including an estimated savings of \$20 million.

Under the legislation, state government would contract with nonprofit and for-profit agencies to care for troubled youth who are now enrolled in such juvenile justice institutions as the W.J. Maxey Boys Training School. The state also would contract the supervision of foster care services to such private organizations as Lutheran Social Services of Michigan, which is already under state contract to perform some foster care functions.

Around 800 state employees could lose their existing government employment as a result, which could be one reason for the vociferous opposition to the bill.

But social services privatization is not new. Kansas is celebrating its 10th year of fully contracted foster care, family preservation and adoption services. Michigan's Kent County relies almost entirely on private agencies for foster care and adoption services.

A 2006 literature survey financed by the Children's Bureau of the U.S. Department of Health and Human Services reported that in the 1990s alone, "Between 50 percent to 80 percent of states had increased their reliance on contracted social services...." In fact, some state and local governments began contracting with the private sector to provide social services in the early 1800s.

Moreover, in 1993, a Mackinac Center study found that 63 percent of children in regular state foster care were managed by caseworkers in private social service agencies under contract with Michigan government. The study also found that these private agencies were doing a job comparable to or better than state employees, even as the private groups maintained a lower child-to-worker ratio.

Opponents note that privatization would lead to higher state contract monitoring costs, but they ignore the offsetting reductions in service costs that usually result from privatization. While we can all sympathize with the government workers who would lose their jobs, they may well find employment with the new private service providers. In any event, state government is not a jobs program.

Obviously, simply delegating state social service responsibilities to community-based organizations will not automatically result in slam-dunk savings and improved outcomes. The success of this privatization initiative -- the details of which are under negotiation -- will depend on a variety of factors, including the degree to which the state's contracting process encourages many different private (and even public) bidders to compete for the contracts, and whether the contracts are carefully designed and monitored to require quality care.

But there has been a dearth of bold ideas in Lansing for balancing the state budget and improving state services. The foster care and juvenile corrections privatization plan is innovative and deserves a chance. Done correctly, it could transform children's lives and state government by improving services and saving money.

*Michael D. LaFaive is director of fiscal policy at the Mackinac Center for Public Policy, a research institute in Midland.*




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Wednesday, October 31, 2007

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## Food provider needs help so it can help the hungry

Web-posted Oct 31, 2007

### Editorials

Gleaners Community Food Bank of Southeastern Michigan, which services Oakland County, is running out of food. The state's largest emergency food provider announced it has reached a critical food shortage that will affect a million people.

Gleaners reportedly distributed an extra 2.2 million pounds of food this year, an increase of 12.7 percent from last year. The Food Bank Council of Michigan found there is almost a 30-percent gap between food provided and food needed.

Although the need is being met for now, soon the food will run out.

Gleaners' food inventory is short by 1.5 million pounds of food and they still need more than 2 million pounds to make sure they can feed an expected 250,000 families for Thanksgiving.

Gleaners works with more than 400 soup kitchens, shelters, churches and pantries to provide food to hungry children, seniors and families in need.

Many Oakland County residents could feel these hunger pangs. As we have reported, there are 32,000 households or about 66,000 people in the county who need food assistance, an increase

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of 11 percent over the past two years.

Another factor is that donations from national food companies declined by 35 percent this year, or 1 million pounds of food. With the economy suffering, some families adjust by buying less expensive and less nutritious food, and some parents skip meals to better feed their children.

Yes, times are tough and many families can't spare much, if anything. So if you can spare a few bucks or some extra food - please give.

To donate, call 866-GLEANER (453-2637) or visit [gcfb.org](http://gcfb.org).

**Prevent illness; get a flu shot** It's the end of October. Thanksgiving is around the corner and Christmas is just down the street. Also, if you haven't noticed, it's time to get your flu shot.

Flu season is here, and the Oakland County Health Division and such organizations as the Visiting Nurse Association of Southeast Michigan's Flu-Busters are encouraging everyone to get vaccinated.

Kay Renny, manager of community programs for Visiting Nurse Association of Southeast Michigan, said it's important because some people suffer from influenza complications, which can be fatal.

Anyone who wants to get vaccinated has two options: the flu shot and the nasal spray.

The shot contains dead flu antibodies and is recommended for anyone older than 6 months. The nasal spray contains weakened, live flu viruses and is recommended for people 2 years old to 49 who are not pregnant.

Neither vaccination reportedly causes the flu, but experts say some people could feel as if they have a very mild form of the flu when using the nasal spray.

Those most at risk of developing the flu are children younger than 4 years and people older than 50. If you're not sure about taking the vaccine, contact your doctor.

The flu virus is spread easily from person to person. The best way to prevent spreading the flu is washing your hands or applying hand sanitizer.

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